### 2015

# Maryland Green Purchasing Committee Annual Report



November 1, 2015

Maryland Department of General Services



November 1, 2015

The Honorable Larry Hogan Governor of Maryland

The Honorable Thomas V. "Mike" Miller, Jr. President of the Senate

The Honorable Michael E. Busch Speaker of the House of Delegates

#### Gentlemen:

The Green Purchasing Committee, created by Chapter 593 of the Acts of 2010, is privileged to present to you its 2015 annual report.

I'm honored to assume the chair of the Maryland Green Purchasing Committee. I see this Committee is a powerful tool that can be used to change state procurement for the better and ensure efficient use of tax dollars.

2015 is the first fiscal year that we are tracking our spending on environmentally preferable products and services. This is an important step in fully understanding and realizing the benefits of green purchasing and the work of the Green Purchasing Committee. While the scope of the report is limited to four product categories this first year, it's my hope to grow the report and integrate reporting requirements in our procurement procedure in future years.

This year, the Committee continued to promote environmentally preferable purchasing through outreach, training, resource publication, and coordination with State Agencies and local jurisdictions. New environmentally preferable specifications and statewide contracts were created and implemented.

As in past years, the Committee will continue to promote and issue guidance to State units on the procurement of goods and services that will advance environmentally preferable, socially responsible and economically efficient practices.

Sincerely,

C. Gail Bassette Secretary



C. Gail Bassette

Secretary

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#### Introduction

The Green Purchasing Committee is required to provide assistance to State units in developing strategies and best practices for implementing environmentally preferable purchasing practices; developing and maintaining environmentally preferable procurement specifications; issuing and maintaining purchasing guidelines; and reporting annually to the Governor and Legislature on its activities.

The Committee notes the benefits of environmentally preferable procurement as follows: "Green procurement can also offer cost savings. In particular, buying 'green' usually involves products that are easily recycled, last longer or produce less waste. Money is therefore saved on waste disposal. In addition, green products generally require fewer resources to manufacture and operate, so savings can be made on energy, water, fuel and other natural resources.

Moreover, green products generally involve fewer toxic or hazardous materials, reducing associated expenses such as permit fees, toxic materials handling charges and staff training."<sup>1</sup>

The Committee will continue to provide assistance to state units as it relates to environmentally preferable purchasing. The Committee's work on this initiative will provide benefits to the

"A well-designed sustainable purchasing program will increase the chances that an organization's sustainable purchasing efforts will achieve the benefits described and advance organizational goals, including sustainability goals."

 Sustainable Purchasing Leadership Council,
 Guidance for Leadership in Sustainable
 Purchasing v1.0

health and well-being of Maryland citizens and environment as well as the efficient and economical use of State funds.

<sup>&</sup>lt;sup>1</sup> International Institute for Sustainable Development

#### **Statutory Department Members/Designees**

#### **GENERAL SERVICES**

C. Gail Bassette | 301 W. Preston Street, Baltimore, MD 21201 | 410-260-2900 | gail.bassette@maryland.gov



#### **BUDGET AND MANAGEMENT**

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#### **NATURAL RESOURCES**

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#### **ENVIRONMENT**

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#### **HEALTH AND MENTAL HYGIENE**

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#### **BUSINESS AND ECONOMIC DEVELOPMENT**

Brenda Shelton-Lee, Coordinator, Procurement & Contracting | 401 E. Pratt Street, Baltimore, MD 21202 | 410-767-2345 | bslee@choosemaryland.org



#### **TRANSPORTATION**

Michael Haifley, Deputy Director | **7**201 Corporate Drive, Hanover, MD 21706 | 410-865-1132 | mhaifley@mdot.state.md.us



#### PUBLIC SAFETY AND CORRECTIONAL SERVICES

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#### **UNIVERSITY OF MARYLAND SYSTEM**

James Salt, Assistant Vice Chancellor | 3300 Metzerott Road, Adelphi, MD 20783 | 301-445-1987 | <u>isalt@usmd.edu</u>



#### **INFORMATION TECHNOLOGY**

Carla Thompson | 45 Calvert Street, Annapolis, MD 21401 | 410-260-6155 | carla.thompson@maryland.gov



#### **EDUCATION**

Teresa Dantzler | 200 W Baltimore Street, Baltimore, MD 21201 | 410-767-0114 | teresa.dantzler1@maryland.gov



#### **TREASURY**

Susanne Brogan, Deputy Treasurer for Public Policy | 80 Calvert St. Annapolis, MD 21401 | 410-260-7418 | sbrogan@treasurer.state.md.us



#### **Subcommittees**

#### LEGISLATIVE REVIEW/POLICY SUBCOMMITTEE

#### **ELLEN ROBERTSON, DGS**

The Legislative Review/Policy Subcommittee is responsible for identifying and reviewing legislation that may impact the work of the Green Purchasing Committee, as well as considering and implementing policy related to the Green Maryland Act. The subcommittee will also suggest what comment or action the Committee should consider as it relates to specific legislation.

#### Report

In 2015, the Maryland Green Purchasing Committee made progress in changing Maryland for the better with environmentally preferable purchasing through events, education, outreach, the creation of environmentally preferable product and service specifications, and the implementation of new statewide contracts for environmentally preferable products and services.

#### Implementation of House Bill 629

State Finance and Procurement Article §14–405 of the Annotated Code of Maryland and COMAR 21.13.01.14, effective October 1, 2014, requires state agencies to report to the Department of General Services on their procurement of environmentally preferable products and services.

On October 8, 2014, The Maryland Green Purchasing Committee asked each cabinet department to designate a party responsible for environmentally preferable purchasing report. The Department of General Services will provide each reporting designee with an electronic draft report outlining spend for fiscal year 2015 in four categories: janitorial supplies, disposable food service products, paper and office supplies, and electronic and IT products. The detailed report can be found in Appendix A.

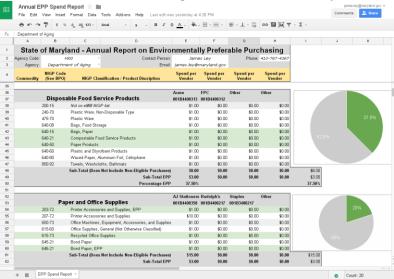
Additional product or service categories may be added in future years with advance notice.

#### Reporting Requirements

The Green Purchasing Committee has developed a framework for agencies to report spend in two purchasing categories for FY 2015:

- 1. Janitorial Supplies
- 2. Paper and Office Supplies

Reports for these categories will be based on National Institute of Governmental Purchasing (NIGP) codes used to identify products and services certified to meet environmentally preferable specifications. Future categories will be added in additional reports as determined by the Green Purchasing Committee.



#### **Environmentally Preferable Specifications**

The Maryland Green Purchasing Specifications provide background information and suggested requirements for the procurement of certain products and services. The creation of these specifications reflects the State of Maryland's commitment to the conservation of energy and natural resources. Consideration of lifecycle impacts, from product inception to disposal, takes into account the full costs of goods and services used in the operation of state institutions. The specifications for each category have been created with lifecycle impacts in mind.

Since the Committee's last annual report, it has identified product and service categories for which environmentally preferable specifications would result in significant environmental, human health, and/or cost saving benefits.

In October 2014, the Committee approved Environmentally Preferable Specifications for:

• Janitorial Services

In June 2015, the Committee approved Environmentally Preferable Specifications for:

Automotive Tires

The Committee is developing additional environmentally preferable specifications for Fleet Vehicles, Office Furniture, Deicers, and printing services. The Committee will publish all newly approved specifications and work to ensure new contracts include the appropriate specifications.

#### 2015 Green Purchasing Vendors' Fair



Metropolitan Washington Council of Governments Green Purchasing Vendors' Fair

From MWCOG: "On January 29, the [Metropolitan Washington Council of Governments'] Ronald F. Kirby Training Center was packed with participants attending the Green Purchasing Vendors' Fair. More than 120 representatives from local governments, school systems, and utilities joined over 30 vendors representing a wide variety of environmentally friendly products and services. In addition to showcasing these green products and services, expert panels and speakers discussed "greening" the supply chain and

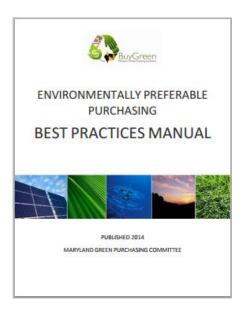
contract language as well as creating healthy buildings through procurement choices.

The fair was a collaborative effort between COG and the Baltimore Metropolitan Council, who partner together to support the Mid-Atlantic Purchasing Team, a consortium spanning the D.C. and Baltimore regions. The Montgomery County Green Business Certification Program also sponsored the event."

Information sessions were presented which highlighted the work of the Committee including resources such as the Best Practices Manual, behavioral guidelines, and specifications for a dozen product categories.

#### **Environmentally Preferable Purchasing Best Practices**

The Committee staff has published an updated Best Practices Manual using input from procurement professionals and users throughout the State and country. Best practices in institutional procurement are developed by examining successful initiatives within Maryland, in other states and jurisdictions, as well as in the private sector.



This update to the Committee's Environmentally Preferable Purchasing Best Practices Manual provides a useful guide to environmentally preferable purchasing in Maryland and is designed for procurement officials, end users, and others leading environmental and cost saving initiatives.

The Maryland Green
Purchasing Committee has
referenced the following
resources in developing
its Best Practices Manual:

**US General Services Administration** 

**Sustainable Faculties Tool** 

**US Environmental Protection Agency** 

<u>Comprehensive</u> Procurement Guidelines

California Department of General Services

**Buying Green Guide** 

Massachusetts Executive Office for Administration and Finance

Environmentally
Preferable Products on
Statewide Contract

Responsible Purchasing Network

**RPN** Website

Sustainable Purchasing Leadership Council

**SPLC Website** 

#### Web Presence

The Committee continues to maintain resources accessible to procurement professionals courtesy of the DGS website. A "Green Purchasing" menu item on the DGS homepage links viewers to information about the Committee, its members, the Committee's Green Purchasing Guidelines and Specifications, the Committee's Annual Reports, Relevant Legislation, and Events and Resources. The Committee events are updated and presented automatically thanks to integration with Google calendar.

New guidelines and specifications are uploaded to the website as they are created and approved by the Committee.

Current and past quarterly newsletters as well as the product and service focus features are also all available on the "Green Purchasing" section of the DGS website.

#### Training Material - Contract Reference Guides

The Committee has created contract reference guides in order to better serve the needs of procurement officials. These guides show how environmentally preferable products can be found in current Maryland state contracts. The guides will list relevant contact information, provide step-by-step instructions on identifying and purchasing green products, and in some cases list the green products offered by a particular contract.

#### Meetings

The GPC meets as required, but no less than bi-monthly, to satisfy the Committee's responsibilities. Meeting attendance and minutes are recorded.

Meeting agendas are available on the DGS website.



#### State of Maryland Procurement Background<sup>2</sup>

In fiscal year 2014, the State procured over \$6.5 billion in goods and services which is a 20% increase from FY 2013. This total represents the award amount, which includes multi-year contracts, but does not include procurements by the University System of Maryland, Morgan State University, or St. Mary's College of Maryland.

Fiscal Year 2013 Summary

Fiscal Year 2014 Summary
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Categories of Work	Contract Award Amount - State Agencies other than MDOT	Contract Award Amount - MDOT	Categories of Work	Contract Award Amount - State Agencies other than MDOT	Contract Award Amount - MDOT
Commodities, Supplies, and Equipment	\$201,484,052	\$136,222,619	Commodities, Supplies, and Equipment	\$233,454,870	\$95,436,488
Services	\$1,069,227,138	\$554,635,144	Services	\$2,477,161,796	\$351,819,903
Architect and Engineering	\$6,772,472	\$218,326,421	Architect and Engineering	\$25,301,494	\$366,563,139
Human, Cultural, Social and Educational Services	\$825,378,832		Human, Cultural, Social and Educational Services	\$579,392,767	
IT	\$317,784,078	\$30,453,760	IT	\$314,312,866	\$77,409,183
IT Hardware	\$100,213,106	\$10,300,988	IT Hardware	\$14,722,918	\$16,977,876
IT Software	\$61,218,154	\$8,362,040			
Construction	\$371,298,497	\$656,262,596	IT Software	\$55,983,405	\$22,192,458
Construction-Related Services	\$1,646,479	\$1,658,811	Construction	\$391,456,680	\$1,076,720,579
Capital Equipment	\$93,659	\$803,875	Construction-Related Services	\$908,833	\$1,404,805
Maintenance	\$70,634,278	\$781,562,199	Capital Equipment	\$454,471	\$16,568
Energy Performance	\$196,707		Maintenance	\$82,120,499	\$363,171,743
Leases Other Than Real Property	\$877,118	\$384,598	Energy Performance	\$18,036,418	
Revenue	\$9,461,873		Revenue	\$6,972,805	
Totals	\$3,036,286,443	\$2,398,973,051	Totals	\$4,200,279,822	\$2,371,712,742

#### Related Regulations and Statutes

There are several existing statutes and regulations which are relevant to Environmentally Preferable Purchasing (EPP). Following is a brief summary of the existing statutes and regulations:

REGULATION	TITLE
01.01.1991.20	Conservation of Paper by Units of State Government
01.01.1993.20	Alternative Fueled Vehicles
01.01.2001.02	Sustaining Maryland's Future with Clean Power, Green Buildings and Energy Efficiency
01.01.2001.06	Water Conservation by State Agencies
01.01.2003.49	Pesticide Advisory Committee
21.04.01.02	General Purpose
21.11.07.01	Definitions
21.11.07.03	Recycled Paper Purchases
21.11.07.04	Low Noise Supplies
21.11.07.07	Mercury and Products that Contain Mercury
21.11.07.08	Locally Grown Foods

<sup>&</sup>lt;sup>2</sup> Maryland Board of Public Works '2014 Procurement Advisory Report' http://bpw.maryland.gov/publications/2014-Procurement-Advisors-Report.pdf

21.11.07.09	Environmentally Preferable Purchasing
21.11.07.10	Compost
21.11.07.11	Energy Efficient Outdoor Lighting Fixtures
21.11.07.13	Purchasing Electronic Products
21.13.01.14	Report on Green Purchasing

STATUTE	SUBJECT
§14-402	Recycled Content
§14-403	Quiet Supplies
§14-405	EPP and EPP Reporting
§14-406	Price Preference for Mercury Free Products
§14-407	Locally Grown Foods
§14-408	Biodiesel Fuel
§14-409	Compost
§14-410	Maryland Green Purchasing Committee
§14-414	Electronic Products
§14-414	Electronics Recycler

#### Cost Impacts & Challenges of Environmentally Preferable Purchasing

Budgeting for Environmentally Preferable Purchasing (EPP) may be a challenge for state agencies, since in some cases, an EPP product may cost more up front, while saving money by lasting longer or using fewer resources over its life.

The Maryland Green Purchasing Committee is addressing the challenges of green purchasing by developing clear requirements for what constitutes "environmentally preferable" products and services, working with contractors and within the state's fiscal management and inventory system to identify green products, and implementing the necessary reporting mechanism to track progress and benefits.

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#### Maryland Green Purchasing Committee Annual Report Appendix A

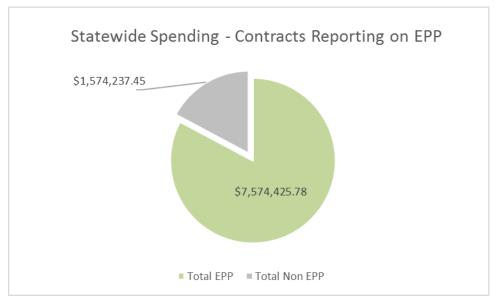
#### **Maryland Environmentally Preferable Purchasing Report - Fiscal Year 2015**

Commodity	NIGP Code (See BPO)	NIGP Classification / Product Discription	Spend per Vendor	Spend per Vendor	Spend per Vendor	ı
Janitor	ial Sunnlie	s (including purchases by Janitorial Service	BISM	Other	Other	i
Janitor	iai oupplic.	Providers)	00450400405			•
	405.40	•	001B3400405	Ф0.00	Ф0.00	•
	485-13	Cleaner, Hand and Skin	\$48,010.18	\$0.00	\$0.00	•
	485-16	Cleaner, Hard Products, General Purpose	\$53,163.28	\$0.00	\$0.00	•
	485-18	Cleaner, Heavy Duty Degreaser	\$55,065.47	\$0.00	\$0.00	•
	485-28	Cleaner and Wax	\$0.00	\$0.00	\$0.00	•
	485-32	Deodorants, Room	\$2,542.69	\$0.00	\$0.00	•
	485-44	Dispensers, Lotion and Soap	\$5,178.06	\$0.00	\$0.00	•
	485-46	Dispensers and Holders	\$17,081.26	\$0.00	\$0.00	•
	485-54	Floor Polishes and Waxes	\$114,621.51	\$0.00	\$0.00	•
	485-55	Floor Stripper and Cleaners	\$157,987.17	\$0.00	\$0.00	•
	485-65	Janitorial Equipment and Supplies	\$1,176,475.75	\$0.00	\$0.00	•
	485-76	Recycled Janitorial Supplies	\$185.12	\$0.00	\$0.00	•
	485-79	Dispensing Equipment, Chemical	\$11,694.50	\$0.00	\$0.00	•
	485-83	Sanitizing and Disinfecting Supplies	\$247,057.54	\$0.00	\$0.00	
	485-86	Soap, Hand	\$185,295.60	\$0.00	\$0.00	•
	486-13	Cleaner, Hand and Skin, EPP	\$0.00	\$0.00	\$0.00	•
	486-16	Cleaner, Hard Products, General Purpose, EPP	\$241,005.23	\$0.00	\$0.00	•
	486-18	Cleaner, Heavy Duty Degreaser, EPP	\$26,707.70	\$0.00	\$0.00	
	486-28	Cleaner and Wax, EPP	\$1,432.35	\$0.00	\$0.00	•
	486-32	Deodorants, Room, EPP	\$1.00	\$0.00	\$0.00	•
	486-54	Floor Polishes and Waxes, EPP	\$9,040.80	\$0.00	\$0.00	•
	486-55	Floor Stripper and Cleaners, EPP	\$15,161.80	\$0.00	\$0.00	•
	486-75	Receptacle Liners, EPP	\$1,984,820.83	\$0.00	\$0.00	•
	486-76	Recycled Janitorial Supplies, EPP	\$3,843,661.32	\$0.00	\$0.00	•
	486-83	Sanitizing and Disinfecting Supplies, EPP	\$69,022.73	\$0.00	\$0.00	•
	486-86	Soap, Hand, EPP	\$857,880.18	\$0.00	\$0.00	
		Sub-Total (Does Not Include Non-Eligible		<b>.</b>	<b>A</b> =	<b>A</b> = -
		Purchases		\$0.00	\$0.00	\$ 7,91
		Sub-Total EPP		\$0.00	\$0.00	\$ 7,04
		Percentage EPP	89.08%	0.00%	0.00%	

October 2015

	Paper and Office Supplies	AJ Stationers 001B4400358	Rudolph's 001B4400217	Staples 001B3400217
203-72	Printer Accessories and Supplies, EPP	\$13,767.91	\$0.00	\$0.00
207-72	Printer Accessories and Supplies	\$563,200.91	\$0.00	\$0.00
600-73	Office Machines, Equipment, Accessories, and Supplies	\$478,083.84	\$0.00	\$0.00
615-60	Office Supplies, General (Not Otherwise Classified)	\$147,293.10	\$0.00	\$0.00
615-73	Recycled Office Supplies	\$511,738.81	\$0.00	\$0.00
645-21	Bond Paper		\$0.00	\$0.00
646-21	Bond Paper, EPP		\$0.00	\$0.00
	Sub-Total (Does Not Include Non-Eligible			
	Purchases)	\$1,236,000.73	\$0.00	\$0.00
	Sub-Total EPP	\$525,506.72	\$0.00	\$0.00
	Percentage EPP	42.52%	0.00%	0.00%

Total
Purchases \$ 9,148,663.23
Total EPP \$ 7,574,425.78
Total Non
EPP \$ 1,574,237.45





## Maryland Green Purchasing Committee <u>DGS.BuyGreen@maryland.gov</u>